111TH CONGRESS
2D SESSION

H. R. 5839

To amend the Internal Revenue Code of 1986 to clarify the types of energy conservation subsidies provided by public utilities eligible for income exclusion.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2010

Mr. HEINRICH (for himself, Mr. LUJÁN, and Mr. TEAGUE) introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to clarify the types of energy conservation subsidies provided by public utilities eligible for income exclusion.

1   *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CLARIFICATION OF TYPES OF ENERGY CON-**

4   **SERVATION SUBSIDIES PROVIDED BY PUBLIC**

5   **UTILITIES ELIGIBLE FOR INCOME EXCLU-**

6   **SION.**

7   (a) IN GENERAL.—Section 136 of the Internal Rev-

8 enue Code of 1986 is amended by redesignating subsection

9 (d) as subsection (e) and by inserting after subsection (c)

10 the following new subsection:

1   "(d) NET METERING OR NET BILLING PROGRAMS;

2 RENEWABLE ENERGY CREDITS.—

3   "(1) IN GENERAL.—For purposes of this sec-

4   tion, the term 'subsidy' includes amounts received by

5   a customer from a public utility—

6   "(A) to pay for electricity generated from

7   an energy conservation measure under a net

8   metering or net billing program, or

9   "(B) to pay for renewable energy credits

10   attributable to an energy conservation measure.

11   "(2) LIMITATION.—The amount treated as a

12   subsidy for any taxable year by reason of paragraph

13   (1)(B) shall not exceed an amount equal to—

14   "(A) $2,000, multiplied by

15   "(B) the whole number of years worth of

16   renewable energy credits that are sold by the

17   customer.

18   "(3) NO BASIS REDUCTION.—Subsection (b)

19   shall not apply with respect to property any portion

20   of the basis of which is attributable to an amount

21   described in paragraph (1).".

22   (b) EFFECTIVE DATE.—The amendments made by

23 this section shall apply to amounts received after the date

24 of the enactment of this Act.

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